

Minnesota Forest Resources Council
DRAFT Minutes
Cloquet Forestry Center
January 14, 2015

Members Present: Bob Stine (Chair), Susan Solterman Audette, Greg Bernu, Forrest Boe, Wayne Brandt, Alan Ek, Darla Lenz, Bob Lintelmann, Gene Merriam, Dave Parent, Shawn Perich, Kathleen Preece, Bob Owens, Mike Trutwin

Members Absent: Dale Erickson, Shaun Hamilton, Mary Richards

Staff Present: Dave Zumeta, Lindberg Ekola, Calder Hibbard, Amanda Kueper, Rachael Nicoll, Rob Slesak

Guests: Dennis Becker (UMN), Jennifer Corcoran (MN DNR), Nate Eide (Lake County), Amber Ellering (MN DNR), Pooja Kanwar (USDA Forest Service), Lisa Radosevich-Craig, (USDA Forest Service), Dick Rossman (MN DNR)

Chair's Remarks

Bob Stine opened the meeting with a round of introductions. He noted that the Office of Minnesota's Secretary of State received applications for all open Council member positions (five reapplications by current members and four new applications from prospective members seeking to replace current members who are stepping down). Bob also said that he will contact Council members soon to collect feedback on possibly rescheduling the Wednesday, May 13, MFRC meeting to Tuesday, May 19, to facilitate meeting attendance after the legislative session is scheduled to end (Monday, May 18). The May MFRC meeting will likely take place in Baxter.

Approval of Meeting Minutes*

Dave Parent approved, and Forrest Boe seconded approval of the meeting minutes. *The minutes were unanimously approved.*

Approval of Agenda*

Wayne Brandt moved, and Mike Trutwin seconded approval of the meeting agenda. *The agenda was unanimously approved.*

Executive Director Remarks

Dave Zumeta officially announced his retirement date: July 7, 2015. Dave then yielded his time to Rachael Nicoll, who made two announcements. First, Rachael said that the draft 2014 MFRC Annual Report to the governor and legislature, due February 1, 2015, was almost complete. Rachael provided an overview of the report and explained that 2014 revisions to the Sustainable Forest Resources Act require the council to submit its report "by February 1 of each odd-numbered year. (*MN Statutes* 89A.03 Subd. 6)". The 2014 State of the Forest Report highlights the state of the forest products industry and the Minnesota Forest Resources Partnership (MFRP) Forest Futures conference. Rachael requested editorial suggestions from Council members.

Second, Rachael explained that Dean Brian Buhr of the University of Minnesota (UMN) College of Food, Agriculture and Natural Resource Sciences has announced Dr. Rob Venette as the Director of the new UMN Minnesota Invasive Terrestrial Plants and Pests Center (MITPPC). The position is a 50 percent time administrative appointment in partnership with the USDA Forest Service. Rob will continue to work as a Research Biologist for the USDA Forest Service Northern Research Station and Adjunct Associate Professor for the UMN Department of Entomology. Rachael provided a summary of Rob's research and professional experience.

Committee Reports

Personnel and Finance

Bob Stine reported that the committee met on December 23, 2014. Committee members reviewed the Fiscal Year 2015 MFRC budget and discussed personnel updates and plans for Dave Zumeta's retirement. Bob provided an overview of the approximate hiring timeline for the new MFRC Executive Director. He said that the members of the MFRC Executive Director Search Committee will consist of Personnel and Finance Committee members, Kathleen Preece, and Susan Solterman Audette. Forrest Boe will be the hiring authority as the position is within the DNR. The full Council will have opportunity for feedback prior to selection of a candidate. Bob Owens inquired about potential internal pressure to hire from within the DNR. Forrest responded that the DNR will post the MFRC Executive Director position as an "open" position that is available to external applicants. Bob Owens also noted the importance of considering the future character of the Executive Director position when the position description is updated. Bob Stine will provide an update about the process at the March MFRC meeting.

Site-Level

Dave Parent said that the committee has not met since the last Council meeting. He reported that the Site-level Field Guides were currently in printing and would be available in several days. Dave also noted that he has determined to hold the next Site-level Committee meeting after the appointment of new Council members.

Landscape Planning/Coordination

Lindberg Ekola said that the committee met on January 7, 2015. The committee reviewed the Northeast and Southeast planning process survey reports and implementation of the LSOHC 25-Year Vision. Wayne Brandt suggested a topic for discussion at the next Landscape Committee meeting. Participants at a recent meeting of federal timber purchasers spoke about a need for facilitated coordination and implementation of projects on the National Forests. USDA Forest Service staff suggested that it would be useful to have an ongoing forum to discuss overlapping jurisdictions and review upcoming projects with state, county, and tribal forest managers. Wayne said that the council has facilitated similar discussions in the past, and this type of activity is directly linked to the goals of the GEIS. He emphasized that these forums would not be planning events, but would be meetings of implementation committees to coordinate the implementation of plans and projects to promote more synergistic planning outcomes.

Information Management Committee

Kathleen Preece reported that the committee has not met since the previous Council meeting.

She added that the Information Management Committee was involved to a moderate degree with the MFRP Forest Futures conference and will meet in February 2015.

Written Communication to the MFRC

Dave Zumeta said that there were no communications to the MFRC. However, on January 13, 2015, Dave sent a letter to Senator Saxhaug and Representative Dill regarding the Sustainable Forest Incentive Act stakeholder group report with a SFIA stakeholder report attached. In response to a question, Dave replied that Mike Danger of the County Assessor's Office, one of the members of the stakeholder group, will also receive this report.

Summary of the December 10-11 Forest Futures meeting and major recommendations from the Report on the Competitiveness of Minnesota's Primary Forest Products Industry

Bob Stine introduced Kathleen Preece and Calder Hibbard. He explained that Kathleen would describe the Minnesota Forest Resources Partnership (MFRP) Forest Futures meeting, and that Calder would summarize the list of recommendations from the Report on the Competitiveness of Minnesota's Primary Forest Products Industry.

Forest Futures meeting

Kathleen Preece described the Forest Futures meeting, which was a working meeting attended by 88 people, including several state agency commissioners and legislators. The meeting focused on the Report on the Competitiveness of Minnesota's Primary Forest Products Industry. Participants interacted with three panels at the meeting. The first panel consisted of the report's steering committee and work group. A second panel included state agency commissioners (DNR Commissioner Tom Landwehr, Heather Rand representing the Department of Employment and Economic Development, Minnesota Pollution Control Agency Commissioner John Linc Stine, Department of Agriculture Commissioner Dave Frederickson, and a representative on behalf of the Iron Range Resources Rehabilitation Board Commissioner, who had recently left state service. The legislative panel included Senators Saxhaug and Tomassoni, Representative-elect David Handcock, and Representative McNamara.

The council is now working with the MFRP to develop action plans on outcomes of the conference, with the MFRP acting as a catalyst for this process. The Bemidji Area Forestry Affairs Committee (BAFAC) will form an ad hoc 'legislative committee' to promote, support, and catalyze the recommendations of the competitiveness study as well as additional and parallel issues as defined by the BAFAC and other forestry interests. Several Council members commended Kathleen and the MFRP for their leadership at the conference.

Major recommendations from the Report on the Competitiveness of Minnesota's Primary Forest Products Industry

Bob Stine said that he and Council staff developed and used three criteria to identify priority recommendations from the competitiveness report to focus MFRC staff efforts:

1. Recommendations that are moderately to highly actionable and that MFRC has reasonable to considerable ability to influence;

2. Implementing the recommendation will have a modest to significant impact on ensuring maintenance or growth of the current and potential wood supply; and
3. Implementing the recommendation will help foster a more friendly business climate to a moderate or significant extent.

Two of the eight recommendations selected are already laws and await implementation. Bob emphasized that the current list of recommendations is not final and asked Council members for input. Forrest Boe added that small breakout groups at the Forest Futures meeting considered next steps. The eight selected recommendations seemed to him to be in line with those discussions.

Susan Solterman Audette asked for clarification on Environmental Review and Permitting, recommendation 1: “Exempt wood harvest from the environmental review process until a cumulative harvest threshold quantity of four million cords/year is reached (page 34).” She asked how many cords are cut in Minnesota annually. Alan Ek replied that the GEIS base harvest threshold is 4.0 million cords/year. He explained that we are currently cutting 2.6 - 2.8 million cords/year and are at the same management intensity as we were at the time of the GEIS. Dave Zumeta added that this recommendation would only target wood analysis requirements, not other aspects of environmental review. The GEIS determined that 4.0-5.5 million cords harvested per year is sustainable. Minnesota has been harvesting less than 3.2 million cords/year since 2005; yet, the state still requires wood analysis. Mill managers have said that this significantly hinders companies looking at Minnesota for expansion opportunities.

Gene Merriam asked for further clarification regarding this blanket environmental review exemption. Dave explained that he understands that Minnesota requires a far greater level of detail than competing states and countries on the potential environmental impact of harvesting operations. In response to a question, Forrest said that there is very little understanding of the factors that trigger environmental review. The Forest Futures meeting committee recommended the formation of a group to examine and develop an understanding of this issue.

Gene added that the GEIS considers macro-level sustainability. There are a number of different factors that determine when an EIS is required for any particular project. At a state level, we are at an uncomfortably low level of harvest, but this recommendation does not consider site-level harvesting. Timber harvest falls under the ‘discretionary’ category of environmental review, but it has evolved to the point where all timber harvest activities require environmental review. The value of these analyses do not outweigh the resources to complete them, considering current levels of harvest. The recommendation would create an exempt category. The state has made strides in improving the quality of the environmental review process, but the current environmental review requirements dissuade developers of new wood product technology from investing in Minnesota, from the forest products industry’s perspective.

Susan asked where we will be going with this list. Bob replied that the MFRC will not formally vote on the list, but we will have an unofficial conversation with members. Susan said that she does not agree with Environmental Review and Permitting recommendation 1. Timber

harvesting in Minnesota may not reach 4 million cords/year, but the environmental impacts of harvest may be much more severe in the future with new forest products industry developments.

Alan said that Minnesota has become a flyover state for new forest industry development. The competitiveness report focuses on the status of Minnesota's forest industry in addition to changes in the forest resource. Low harvest levels will incur environmental impacts in terms of habitat value and human use of resources. The older wood in forests is low quality and cannot be used by industry. The forest age distribution is in disrepair, and there is a dangerous potential for widespread, intense fires.

Darla Lenz commented that there is not adequate rationale in the report to support this recommendation. Bob agreed.

Dave Parent said that we have macro-level harvesting recommendations, but asked how we make the transition from statewide gross impacts to site-level impacts. Alan responded that forestry economics operate differently; there is a finite resource and no competition. If a company makes a proposal, it is assumed that it will go through and that the impact on the resource is fixed. Bob added that we view harvesting in Minnesota as occurring on a macro level instead of focusing on harvesting occurring mainly around mills. Alan added that environmental review of a project essentially has become a statewide assessment. Mike Trutwin asked if expansion of harvest into Minnesota from external mills would trigger an EIS process in Minnesota. Wayne Brandt replied that it would not.

Greg Bernu asked if Minnesota requires more than other states in terms of timber analysis. Dave Zumeta replied that this is true and is noted in the report. It is difficult to analyze existing information for comparison, but Minnesota has the most rigorous environmental review processes of any state. Minnesota is less rigorous than some other countries, but the process is slower. Bob Owens added that the Council should perhaps make recommendations on the environmental review process itself to see if certain steps could be expedited or eliminated.

Forrest noted that the MFRC had discussed this topic for an hour. The DNR will not support an outright exemption for timber harvesting analysis at this point, but there is interest in improving the process. Many involved with forestry do not understand the issues and timelines. Other states do not have environmental review thresholds, so companies at least know what to expect in Minnesota. Mike Trutwin said that we need to add that in order to be competitive, we need to expedite the process. Dave Zumeta noted that there is language on expediting the process in Environmental Review and Permitting recommendation 2, a-e, in the report.

Bob Stine concluded that this recommendation is a lightning rod issue. The other proposed recommendations are likely to be less controversial, but need to be discussed. Dave Zumeta should perhaps receive permission to discuss these other issues at the legislature.

Wayne commented that Wood Fiber Availability and Cost, recommendation 6, is covered in much more detail in the report, and the issue is inextricably linked to tax policy. It will not be solved unless we address these other issues. Dave Zumeta agreed that is a difficult issue, and it may not stay on the list of priority recommendations. However, it is also an extremely important issue. It is linked to the SFIA revision (Wood Fiber Availability and Cost recommendation 7). Dave anticipates working with legislators on both of these recommendations. Forrest added that the DNR will work on these issues as well.

Dave Zumeta explained that Cost of Energy recommendation 3 and Taxation recommendation 1 are low-hanging fruit and fully meet the first criterion.

Greg Bernu asked if the Report on the Competitiveness of Minnesota's Primary Forest Products Industry will be the first of a series of studies on several aspects of the forest, for example, forest wildlife and forest recreation. Bob Stine replied that this is the decision of Council members. Commissioner Landwehr specifically requested this report, but if Council members feel these other areas are important, the commissioner could ask the MFRC to report on these issues. The competitiveness report focuses on the forest products industry, but it has ramifications for the health of the forest and these other topics.

DNR Division of Forestry and MFRC legislative agenda for the 2015 legislative session

Bob Stine introduced Forrest Boe. Forrest spoke about a perceived interest in bonding this legislative session. He expects that there will be an emergency bonding bill or a two-year bonding bill. The Division of Forestry relies on bonding funds for reforestation and road project efforts. The DNR is preparing for both types of bonding bills. The governor's recommended budget will be released January 27. The Division of Forestry has a change level request that has made it through the department. The change level is the second highest departmental priority, behind a change level request related to parks and trails. Dave noted that the MFRC has submitted a change level request. It has gone through the DNR, and he hopes that it will be in the governor's recommended budget. Representative Anzelc put forth House File 14, which is a bill for \$300,000 to fully fund the council for its activities.

Southeast and Northeast landscape plan participant survey reports

Bob Stine introduced Lindberg Ekola and Amanda Kueper. Amanda provided information on the Southeast (SE) and Northeast (NE) landscape plan participant survey process and methods. The response rates for both surveys were high. Amanda also covered key findings from the SE survey. The responses were overwhelmingly positive. All respondents were pleased with the meetings and provision of information, felt the process was fair, and perceived an increase in personal knowledge. Nearly all participants were satisfied with the planning process.

Amanda next covered key findings from the NE survey. Meeting attendance was more spread were satisfied with the frequency of meetings. Most respondents that left the process early did so out of frustration with the length of the process. A slight majority of all respondents felt that the process was fair, and over half were satisfied with the information provided while others felt that the information was more than adequate. A slight majority were dissatisfied with the

planning process. Respondents found most of the individual plan components satisfactory (some were dissatisfied with the final section), and most were satisfied with the final plan. Most open-ended comments were about the process, and have a good potential to improve future planning processes. Amanda described additional issues such as information utilization, the decision-making process, participant dynamics, and improvement of monitoring.

Finally, Amanda covered larger lessons learned about the survey processes in both regions. The process in the NE has room to improve, but the final product was satisfactory. Lessons learned in the NE were applied to the SE process and positively influenced the process in that region.

Darla Lenz asked if the NE summary of recommendations will be refined to make them more concrete for future planning efforts. Amanda replied that this is the hope. The idea is that staff will take recommendations from participants and translate them to recommendations for the Landscape Committee and then recommendations from the Landscape Committee to the Council. Lindberg added that the three major recommendations described on page two of the Landscape Committee January 7, 2015 meeting minutes will move forward. Dave Zumeta added that Amanda and Mike Lynch provided recommendations on the processes from a staff perspective. Dave and Lindberg also had a frank discussion with the Landscape Committee which was not fully summarized in the meeting minutes. We do need to discuss and document lessons learned.

Dave Parent inquired about how “fairness” was defined for the purpose of these surveys. He asked if there were any questions or comments on the lack of fairness. Amanda referred to the open-ended responses provided in the reports. Dave suggested that without a clear definition of fairness, it is hard to apply these lessons. Amanda said that the open-ended responses in the NE revealed a lack of clarity surrounding decision making process and issues about the role of certain organizations in meeting discussions. Some had more influence than others, and some were not adequately represented. Dave Zumeta said that this is a difficult, complex topic. Some participants are paid to come to meetings. Bob suggested that, as a Council, we should think about the most appropriate decision-making process. Wayne Brandt noted that the Landscape Committee has discussed this. Lindberg added that the six regional committees operate more informally. He described the decision-making protocol presented to the NE Committee. Bob replied that the Council should have a discussion about the decision-making process and its formality.

Characterizing forest disturbance at a watershed scale

Rob Slesak introduced Jennifer Corcoran, DNR research analyst, and described the monitoring program modification/enhancement with a new focus on watersheds and incorporation of disturbance metrics. Jennifer noted that her presentation focuses on the characterization of forest disturbance patterns.

Research shows that the forest management guidelines are effective, but they need to be implemented properly. Jennifer covered the history of the guidelines and the monitoring

program and discussed new monitoring methods. She discussed how Clean Water funding has changed the capacity to use monitoring data.

There are a range of conditions that impact guideline implementation. Monitoring has historically been conducted statewide, but we can look at disturbance patterns at a watershed scale. Forest disturbance can alter watershed hydrology, so it is important to examine these patterns and how they affect hydrology.

Jennifer provided an overview of the new monitoring approach. First, forest disturbance is quantified on a watershed and statewide scale. Then, sites are selected for monitoring. Third, ancillary data collection will take place to “characterize” the watershed. Data sets vary across the state, and some have more importance than others. Fourth, information will be combined to develop a relative assessment of risk to water quality by watershed. Finally, targeted education and outreach will take place based on information developed in step four.

Jennifer covered the first set of field monitoring that is occurring on four watersheds. The goal is to monitor 30-40 random sites in harvested areas per watershed. The field data collection methods will not change much. Remote sensing data will be used to map disturbed forestland. The monitoring program is pushing for greater consistency in mapping and characterization of disturbance.

Jennifer also covered preliminary results of this data analysis. There are difficulties in characterizing specific types of harvest disturbances from satellite data. She has also looked at proximity of disturbed areas to public waters in the four watersheds. She will continue to further refine these data. After this, she and others will assess the relative risk of land use practices degrading water quality. They could create operational effectiveness scores, disturbance metrics with consideration of watershed characteristics. Jennifer explained that the key objective for these efforts is to maintain the supply of high-quality water from forests.

Susan Solterman Audette inquired about the project timeframe. Rob Slesak responded that Jennifer is on a renewable 18-month position. The position is intended to be an integrated piece of the Monitoring program. Alan Ek asked about completion of the data. Jennifer replied it is now a matter of looking from the ground up and from a bird’s eye view to analyze the monitoring data. She would like to build a tool which integrates both perspectives.

Gene Merriam asked how this work interfaces with the Minnesota Pollution Control Agency (MPCA) watershed restoration and protection strategy (WRAPS). Jennifer is working with the Division of Ecological and Water Resources actively. WRAPS data is more on a watershed and catchment scale from a single point. Jennifer is determining how she can use their data to assess water quality with a single measurement. Rob added that Dick Rossman, DNR, uses data to engage WRAPS committees. With Dick’s participation, someone from Forestry is at the table to discuss how these data influence decision-making. Dick added that engagement of the forestry committee is key, and that our participation complements WRAPS information. Greg Bernu noted that he uses MFRC monitoring data to extinguish claims that bad forestry practices

cause clay erosion in the Nemadji River Watershed. Alan asked Dick about the composition of WRAPS committees. Dick replied that the committees are dominated by MPCA, Board of Water and Soil Resources, and DNR Division of Ecological Water Resources staff.

Bob Owens inquired about areas in Minnesota on the fringe of forestland or agricultural land that are considered at high risk of impact. Jennifer replied that, generally, increasing patchiness of the landscape increases the risk of watershed degradation. The factors that put forestland at highest risk are likely related to the composition of the land cover and land use (e.g., urban areas). The most risk probably exists in the Southeast due to these factors in addition to topography. Bob asked if this will be a hindrance or be of value to those looking to develop new forestry opportunities in Minnesota. Jennifer thinks that this should be helpful information with multiple applications.

Forrest Boe commented that Jennifer's work will improve the reactivity of forest management while allowing us to manage and use the resource more proactively. Wayne Brant added that we need to be mindful that statute requires us to monitor the effectiveness of guideline implementation. Jennifer agreed that these data do not currently do that.

Overview of county forest land certification programs in Minnesota

Bob introduced Greg Bernu, representing the Minnesota Association of County Land Managers (MACLC), and Gene Merriam. He noted that Gene requested this presentation after he learned that some counties had decided to no longer produce third-party certified wood. Gene added that forest certification is central to the Sustainable Forest Resources Act as well as to state and county forest management.

County lands are unique because they are public lands, but their management is not supported by a tax levy – they are receipt-driven. This is a key driver of county forestland certification decision-making. Nine counties once had 2.45 million acres of certified land. Six counties chose to be dual-certified. However, only four of these counties are certified now. Greg explained why counties sought certification, including it being the right thing to do, transparency, and the MFRC Site-level Forest Management Guidelines.

Counties are concerned about a number of factors that affect their ability to remain certified in the future. These factors include annually-required recertification, inconsistent standards, little difference between FSC and SFI, different interpretations of standards by auditors, fading support from county boards, no added markets/logger preferences, double standard for U.S./North America versus international suppliers, increased work load for small departments, no increase in revenue for county land departments from certified wood, changes in the forest products industry, changes in makeup and direction of county boards, and the fact that the DNR can now supply certified fiber after the market moved from 100 percent to mixed species wood. Greg added that the currently dual-certified counties are looking at dropping one of the certifications. Forrest asked how much counties pay for certification. Greg responded that counties spent \$25,000 last year to remain dual-certified, but this amount does not account for several full weeks of dedicated staff time for audit preparation and follow-up.

Susan asked under whose purview state lands managed by counties fall. Greg replied that the lands are not owned by the state; rather, they are titled by the state. The county board is the trustee of tax-forfeited lands, and the DNR provides oversight. Susan also asked if dual-certified counties anticipate losing some of their markets if they drop one of their certifications. Greg responded that they do not.

Bob Owens remarked that it is unfortunate that costs today impact the long-term capacity of these programs. Competition has hindered growth. He would like to see county certification continue for several more years to see how the situation changes. Certification will not produce revenue, but will provide a vote of confidence for U.S. products. Greg replied that continued county certification is worthless based strictly on revenue, but it is an important social indicator. SFI and FSC are aware of the threat to continued county certification.

Public Communications to the MFRC

Amber Ellering provided two updates on the northern long-eared bat. E-mail notifications regarding these and future developments will be sent to Council members and staff.

MFRC Member Comments

Darla Lenz announced that Brenda Halter will do a detail in the Milwaukee USDA Forest Service office as Deputy Regional Supervisor. Her temporary replacement will be Chip Weber, who currently serves as the Forest Supervisor on the Flathead National Forest in Montana.

Gene Merriam thanked Greg Bernu for his presentation. Gene also mentioned a recent National Public Radio article on several little brown bat colonies in Vermont that may be recovering from white-nose syndrome. An article that also describes promising research on the disease is located at <http://www.npr.org/2015/01/13/376092152/good-news-for-bats-things-are-looking-up-for-stemming-disease-spread>.

Wayne Brandt moved, and Michael Trutwin seconded adjourning the meeting. *The meeting was adjourned at 2:46 p.m.*